

Proposed Process and Schedule for Development of State and Federal Capital Budget Proposals for the Puget Sound Partnership

For Leadership Council Discussion April 29-30

Discussion Purpose:

- To seek input and guidance from the Leadership Council on developing the near-term capital actions that will be included in the Action Agenda question, “Where do we start?”
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The fourth question in the development of the Action Agenda is “where should we start?” Part of the answer will consist of capital projects proposed for immediate implementation. This handout proposes:

- A process and schedule for the development of the capital project list;
- Criteria for prioritizing capital projects; and
- Likely characteristics of the capital project list.

Process

Partnership staff recommends using a two-step process to identify and prioritize projects for the 2008 capital project list. In the first step, Partnership staff and consultants will meet this spring with groups sponsoring or administering watershed programs and ecosystem scale plans to identify candidate projects consistent with the project criteria proposed below. The groups will include local governments, private sector entities, watershed planning units, watershed councils, shellfish protection areas, regional fishery enhancement groups, marine resources committees, nearshore groups, and watershed lead entities. In addition, we will meet with regional leaders in the areas of ecosystem restoration, water quality treatment, and stormwater management to solicit their recommendations for appropriate projects. The focus of the meetings will be to develop a strong, highly selective list of candidate projects.

The second step will be to prioritize the list. We will employ criteria developed from the answer to question three of the Action Agenda, “what do we need to do to move from where we are today to a healthy Puget Sound?” The ranking process will consist of a series of consultations and meetings (with extensive staff preparation) to vet the list, including meetings within action areas, and with the Recovery Council, the Ecosystem Coordination Board, and ultimately the Leadership Council. This process will culminate in the completion of a prioritized list of capital projects in September, in ample time to influence state and federal budget requests this fall.

The prioritized list will identify projects that are suitable for funding through a variety of state and federal programs, including the 2008 EPA NEP grant.¹ As projects are identified and then prioritized, we will evaluate potential funding sources and forward the proposed projects to the relevant agencies for consideration in their budget proposals. We will identify which projects are most suitable for funding with Partnership-directed sources, such as the 2008 EPA grant. We plan to have the entire Partnership-endorsed list available to the Governor as she and her staff develop their budget proposals for the 2009-2011 biennium. This capital project list will also be used to develop budget requests for the federal fiscal year 2010 budget. The mechanics of project administration will be evaluated, and a recommendation forwarded to the Leadership Council, later in this process.

Proposed Schedule

April 29: Meeting with **Leadership Council** to review and approve process, schedule, and criteria for assembling the list of proposed projects for inclusion in the Action Agenda.

April 30 – June 12: Outreach, in consultation with the Ecosystem Coordination Board member from each action area, to stakeholders, including but not limited to appropriate tribes, local governments, and watershed groups, to solicit project proposals. This work would be coordinated with other Partnership efforts.

May 22: Meeting with **Recovery Council** to review process, review initial feedback from watersheds, give advice on composition of the list.

June 12 - 13: Meeting with **Leadership Council** to review an unsorted capital project list, consider criteria for sorting the list, and discuss integration with the Action Agenda.

June 25: Briefing and consultation with **Ecosystem Coordination Board** on initial findings.

June 13 – July 15: Staff work on prioritization and consultation with caucuses and stakeholders, including appropriate tribes, local governments, and watershed groups. Consultation with **Salmon Recovery Council**.

July 23 - 24: **Leadership Council** meeting to review and give direction on first draft of sorted list.

July 24 – August 22: Revisions, additions, and deletions to the sorted list. Tribes, local governments, watershed groups, and other stakeholders consulted.

September 4-5: Meeting with **Leadership Council** to make final decisions on the capital project list.

September 5 - 30: Development of materials for the state and federal capital budget requests.

¹ This list will not, however, be used to form the 2008 Salmon Recovery Funding Board capital project list. For 2008, the SRFB capital program will continue as it did in 2007, led by watersheds, in consultation with the Partnership.

September 30: Capital budget requests forwarded to Governor and to the Washington Congressional delegation.

Proposed Criteria for Projects

Due to budget deadlines, the 2008 capital project list will need to be compiled as the Action Agenda is developed. The expectation is that the capital project list will be focused and prioritized using Action Agenda information as it becomes available. In the meantime, the following criteria are proposed for use in developing a list of candidate projects from which the final capital project list will be chosen.

1. Each capital project on the candidate list will be based upon existing watershed and ecosystem scale programs.
2. Each capital project on the candidate list will significantly advance progress on at least one of the Partnership's six goals (human health, human quality of life, biodiversity, habitat and land use, water quality, and water quantity), with preference given to projects that address multiple goals in a significant way.
3. Each capital project on the candidate list will provide an exceptional value in cost-effectiveness or "bang for the buck."
4. Each capital project on the candidate list will broaden constituencies for Puget Sound clean up and restoration.
5. Each capital project on the candidate list will be likely to succeed, with a high probability that the project will achieve its intended functions and values.
6. Each capital project on the candidate list will be ready to implement in terms of scope, schedule, and budget.

Likely Characteristics of the 2008 Capital Project List

The final composition of the project list will depend a great deal on the evolving focus of the Action Agenda and the advice and opinions of the many agencies and organizations engaged in the process. The following characteristics are suggested as a starting point for discussion on the composition of the list.

1. The list will incorporate initial recommendations of the Action Agenda and be fully consistent with the Action Agenda's conceptual framework. Projects will be ranked based on criteria derived from the Action Agenda.
2. The list will include a wide variety of capital projects (e.g., habitat protection, habitat restoration, water quality source control and small-scale treatment, stormwater source control and small-scale treatment), including the design, permitting, and monitoring elements that are normally capitalized.
3. The list will consist of projects that are ready for construction or implementation in the 2009-2011 biennium, or, in the case of projects supported with federal funds, in the 2010 fiscal year. However, the list may include the initial installment of funding needs for several biennia or fiscal years.

4. The projects on the list will be described as specifically as possible, including the site of the action, its costs, and its likely benefits.
5. The list will be oriented more to a few large projects, each with clear and compelling regional benefits, than to many smaller ones.
6. If possible consistent with scientific and social priorities, the list will include projects in each of the seven action areas in the Puget Sound region.
7. The list will be organized according to the seven Action Areas.
8. The list will be enthusiastically supported by the Leadership Council and the Recovery Council and will have strong support among active stakeholders.